

CONTRACT #11
RFS # 318.66-032

**Department of Finance &
Administration**

Bureau of TennCare

VENDOR:
Preferred Health Plan



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DEC 01 2006
FISCAL REVIEW

STATE OF TENNESSEE
BUREAU OF TENNCARE
310 Great Circle Road
NASHVILLE, TENNESSEE 37243

November 29, 2006

Mr. Jim White, Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN 37243

Attention: Leni Chick:

RE: Bureau of TennCare Contracts Submitted for Fiscal Review

Dear Mr. White:

The Department of Finance and Administration, Bureau of TennCare, is submitting for consideration by the Fiscal Review Committee amendment #6 to the Electronic Data Systems Corporation and EDS Information Service, L.L.C., RFS 318.65-080. This competitively bid contract provides Development, Implementation and Replacement of the TennCare Management Information System (TCMIS). This amendment comprises two major components of service, the extension of the current contract Facility Management of the TCMIS and additional services outside the scope of the original contract. The extension of current Facility Management services comprises 40% of the total amendment expenditures. These services include all of the daily operational components required to provide Medicare/Medicaid and Fee for service health care to the 1.1 million Tennessee residents enrolled in TennCare. In order to maintain these services to TennCare enrollees during the development, procurement and implementation of the required replacement contract for our current facility manager (EDS), we requested the extension of the current contract services in order to prepare for this transition. The remaining 60% of the expenditures include two categories of additional components to the Facility Management contract. The first addresses the federally mandated requirement that all health care providers within the United States possess a unique National Provider Identification (NPI) number. The Code of Federal Regulations requires the implementation of NPI by May 27, 2007. This requires TennCare to modify all systems in order to identify all providers using the NPI. This modification to our systems is funded by 90% Federal Funds Participation. The second component of additional services identifies areas outside the scope of services specifically listed in the original contract. These ancillary components of the amendment indirectly address areas TennCare is responsible for adhering to judicial decrees, as well as improved operational efficiencies.

Additionally, TennCare is submitting for review amendment #1 to QSource Center for Healthcare Quality, RFS 318.65-205, the competitively bid contractor providing External Quality Review of TennCare Managed Care Organizations, Behavioral Health Organization and the Dental Benefits Manager. This amendment provides an additional component of comprehensive quality assurance and quality improvement including elderly and disabled Home and Community Based (HCBS) programs in Tennessee. The elderly and disabled waiver programs include the Statewide HCBS Waiver for the Elderly and Disabled as well as the Program of All-Inclusive Care for the Elderly (PACE) Program. TennCare's Long Term Care Program is mandated by the Centers of Medicaid and Medicare Services (CMS) to provide quality assurance and quality improvement programs. We feel it is in the best interest of the State to rely on an already established contractor to perform these critical oversight functions until a competitively awarded contractor can be identified solely for the elderly and disabled. Funding to support this one year amendment is \$179,820.00.

The following Managed Care Organizations (MCOs) are being amended to provide extension of term as well as funding to support this extension. Additionally, the amendment provides the following modifications to current MCO language: (1) Fraud and Abuse language clarification, incorporating CMS requirements as they relate to enrollee hospice care; (2) In response to request from Fiscal Review, incorporates revisions to requirements of current Conflict of Interest language; (3) clarification of Systems Requests including Disaster Recovery Plan; (4) Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," includes language prohibiting the MCO or any provider from smoking tobacco products within any indoor premises in which services are provided pursuant to individuals under the age of eighteen (18) years; (5) Prohibition of Illegal Immigrants, per the requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of services to the state of Tennessee and (6) revised reimbursement requirements for non-participating emergency providers in accordance with the Deficit Reduction Act.

Volunteer State Health Plan, Inc. (TennCare Select)	RFS 318.66-026	FA-02-14632-16
Volunteer State Health Plan, Inc.	RFS 318.66-028	FA-02-14859-19
Memphis Managed Care Corp (TLC)	RFS 318.66-030	FA-02-14861-02
Unison Health Plan of TN, Inc.	RFS 318.66-017	FA-02-14858-12
Preferred Health Plan	RFS 318.66-032	FA-02-14863-11
John Deere	RFS 318.66-029	FA-02-14860-11
Windsor Health Plan of TN, Inc. (term extension for 3 mos. only)	RFS 318.66-033	FA-02-14864-11
UAHC Health Plan of TN, Inc. (term extension for 6 mos. only)	RFS 318.66-027	FA-02-14862-12

The following two new competitively awarded Middle Tennessee MCOs are being amended to include the following modifications: (1) Require submission of Fraud and Abuse Compliance Plan for review and approval; (2) Clarification of reimbursement requirements of Hospice benefit package; (3) additional reporting requirements to support utilization activities; (4) clean up language of Deficit Reduction Act (payment requirements for out-of-plan emergency services) to refer to rules for payment terms in accordance with DRA; (5) Clarification of TPL/Subrogation reporting; addition of PCP, MRI, CT, and PET reporting; (6) Strengthen/Broaden language to require notice of any legal action against MCC or parent company; (7) Clarify that State does not have liability for costs beyond administrative fee, including liquidated damages, penalties, etc. (8) added State's language as required by new legislation that prohibits illegal immigrants from performing services of state contracts, and (9) revisions made for consistency throughout the agreement.

United HealthCare Plan of the River Valley, Inc.	RFS 318.66-051	FA-07-16937-01
AMERIGROUP Tennessee, Inc.	RFS 318.66-052	FA-07-16936-01

In addition to the amendments listed above, TennCare is also submitting for review the following Behavioral Health Organization (BHO) amendments that provides the following modifications to BHO language: (1) New reporting requirements for Institutions for Mental Disease (IMD); (2) Additional language reinforcing requirements for EPSDT outreach and responsibility of the BHOs for services delegated to their providers; (3) Add requirement of Fraud and Abuse Compliance Plan for review and approval; (4) Clean up Deficit Reduction Act language to refer to rules for payment terms in accordance with DRA; (5) Revise Conflict of Interest language to be consistent with Middle TN RFP Pro Forma in accordance with agreed upon language with Fiscal Review; (6) Clarification of TPL reporting and IS/Disaster recovery reporting; (7) strengthen language to require notice of any legal action against MCC or parent company; (8) added language mandated by new legislation prohibiting use of illegal immigrants for performance of state contracts; (9) clarify that state has no liability for costs beyond administrative fee,

Mr. Jim White
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including liquidated damages, penalties, etc.; (10) general housekeeping revisions made for consistency throughout the agreement.

Premier Behavioral Health Systems Of Tennessee, LLC	RFS 318.66-022	FA-01-14662-17
Tennessee Behavioral Health, Inc.	RFS 318.66-023	FA-01-14661-16
Tennessee Behavioral Health, Inc. (East Tennessee Region)	RFS 318.66-050	FA-05-16089-07

The Bureau of TennCare would greatly appreciate the consideration and approval of these amendments by the Fiscal Review Committee,

Sincerely,



Scott Pierce
Chief Financial Officer

Cc: Darin J. Gordon, Deputy Commissioner
Alma Chilton

REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration

Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required.
A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT
CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS # 318.66-032

STATE AGENCY NAME : Department of Finance and Administration, Bureau of TennCare

SERVICE CAPTION : Managed Care Organization Services/Medically Necessary Health Care Services to the TennCare/Medicaid Population

CONTRACT # FA-02-14863-00

PROPOSED AMENDMENT # 11

CONTRACTOR : Preferred Health Plan

CONTRACT START DATE : July 1, 2001

CURRENT, LATEST POSSIBLE END DATE :
(including ALL options to extend) 12/31/2006

CURRENT MAXIMUM LIABILITY : \$1,308,000,470.67

LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT :
(including ALL options to extend) 12/31/2007TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT :
(including ALL options to extend) \$1,462,742,513.67APPROVAL CRITERIA :
(select one) ☒ use of Non-Competitive Negotiation is in the best interest of the state☐ only one uniquely qualified service provider able to provide the service

ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects :

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This amendment provides the following modifications to current MCO language: (1) Fraud and Abuse language clarification, incorporating CMS requirements as they relate to enrollee hospice care; (2) In response to request from Fiscal Review, incorporates revisions to requirements of current Conflict of Interest language; (3) Extends term date for an additional year, and provides funding to support term extension; (4) clarification of Systems Requests including Disaster Recovery Plan; (5) Pursuant to the provisions of the federal "Pro-Children Act of 1994" and the Tennessee "Children's Act for Clean Indoor Air of 1995," includes language prohibiting the MCO or any provider from smoking tobacco products within any indoor premises in which services are provided pursuant to individuals under the age of eighteen (18) years; (6) Prohibition of Illegal Immigrants, per the requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of services to the state of Tennessee, and (7) revised reimbursement requirements for non-participating emergency providers in accordance with the Deficit Reduction Act.

(2) explanation of need for the proposed amendment :

This amendment is needed to make above modifications as well as provide funding for additional one year extension.

(3) name and address of the proposed contractor's principal owner(s) :
(not required if proposed contractor is a state education institution)

1420 Centerpoint Blvd., Knoxville, TN 37932

(4) documentation of OIR endorsement of the Non-Competitive procurement request :
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation :

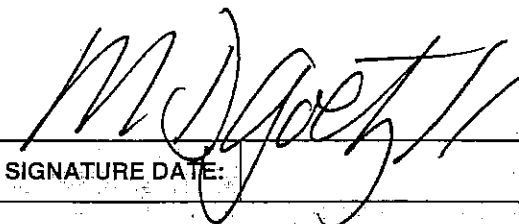
This Contractor is currently providing a network of services for the TennCare Program. This is an amendment to current contract.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment :

The Bureau of TennCare is currently modifying all of the MCO contracts to provide specific language changes for clarity and compliance with Fiscal Review as well as CMS. These MCO contracts provide necessary Health Care Services to the TennCare/Medicaid Population and TennCare would greatly appreciate approval of this amendment by the Commissioner of F&A.

AGENCY HEAD REQUEST SIGNATURE:

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



SIGNATURE DATE:

CONTRACT SUMMARY SHEET - DO NOT LOAD ON STARS

RFS Number:	318.66-032	Contract Number:	FA-02-14863-11
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare
Contractor:		Contract Identification Number:	

PREFERRED HEALTH PLAN

☐ V-
☐ C-

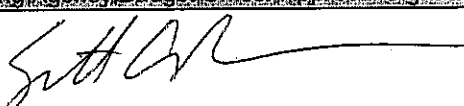
Service Description

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

Contract Begin Date:	Contract End Date:
7/1/2001	12/31/2007

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	4A9	134	11	<input type="checkbox"/> STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)
2002	\$ 78,953,471.00	\$ 138,414,473.00			\$ 217,367,944.00
2003	\$ 64,946,700.00	\$ 111,774,800.00			\$ 176,721,500.00
2004	\$ 83,013,699.12	\$ 150,598,884.55			\$ 233,612,583.67
2005	\$ 97,326,850.00	\$ 165,451,350.00			\$ 262,778,200.00
2006	\$ 97,326,850.00	\$ 165,451,350.00			\$ 262,778,200.00
2007	\$ 109,216,934.00	\$ 200,267,152.00			\$ 309,484,086.00
Total:	\$530,784,504.12	\$ 931,958,009.55			\$ 1,462,742,513.67

CDA#	93.778 Title XIX Dept. of Health and Human Services	Check the box ONLY if the answer is YES
State Fiscal Contract		Is the Contractor a SUBRECIPIENT? (per OMB A-133)
Name:	Scott Pierce	Is the Contractor a Vendor? (per OMB A-133)
Address:	310 Great Circle Road	Is the Fiscal Year Funding STRICTLY LIMITED?
Phone:	Nashville, TN (615) 507-6415	Is the Contractor on STARS?
Procuring Agency Budget Officer Approval Signature		Is the Contractor's FORM W-9 ATTACHED?
Scott Pierce 		Is the Contractor's Form W-9 Filed with Accounts?

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
END DATE	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
	12/31/2006	12/31/2007	
FY: 02	\$217,367,944.00		
FY: 03	\$176,721,500.00		
FY: 04	\$233,612,583.67		
FY: 05	\$262,778,200.00		
FY: 06	\$262,778,200.00		
FY: 07	\$154,742,043.00	\$154,742,043.00	
Total:	\$1,308,000,470.67	\$154,742,043.00	

(General)AMENDMENT NUMBER

AMENDED AND RESTATED CONTRACTOR RISK AGREEMENT

BETWEEN
THE STATE OF TENNESSEE,
d.b.a. TENNCARE
AND
CONTRACTOR NAME,
d.b.a.

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FISCAL REVIEW

CONTRACT NUMBER: FA-

For and in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to clarify and/or amend the Amended and Restated Contractor Risk Agreement (CRA) by and between the State of Tennessee TennCare Bureau, hereinafter referred to as TENNCARE, and Contractor Name, hereinafter referred to as the CONTRACTOR as specified below.

Titles and numbering of paragraphs used herein are for the purpose of facilitating use of reference only and shall not be construed to infer a contractual construction of language.

1. Section 1-5.b.1 shall be amended by adding new text to the end of the existing text so that the amended Section 1-5.b.1 shall read as follows:

1-5. b. Fraud and Abuse Compliance Plan

- 1-5.b.1. The CONTRACTOR shall have a written Fraud and Abuse compliance plan. A paper and electronic copy of the plan shall be provided to TENNCARE. The CONTRACTOR's specific internal controls and policies and procedures shall be described in a comprehensive written plan and be maintained on file with the CONTRACTOR and submitted for review to TENNCARE within thirty (30) calendar days of the effective date of this Agreement and annually thereafter. TENNCARE shall provide notice of approval, denial, or modification to the CONTRACTOR within thirty (30) calendar days of receipt. The CONTRACTOR shall make any requested updates or modifications available for review to TENNCARE as requested by TENNCARE and/or the TennCare Program Integrity Unit within thirty (30) calendar days of a request. The State shall not transfer their law enforcement functions to the CONTRACTOR.

2. The Hospice Benefit, Sitter Benefit, and Convalescent Care Benefit descriptions in Section 2-3.a.1(b) shall be deleted and replaced and shall read as follows:

Hospice Care	<p>As medically necessary. Must be provided by a Medicare-certified hospice.</p> <p>Provided and reimbursed in accordance with state and federal requirements, including but not limited to the following:</p> <ul style="list-style-type: none">• Rates shall be no less than the federally established Medicaid hospice rates (updated each FFY), adjusted by area wage adjustments for the categories described by CMS;• The rates described above shall be subject to the annual cap for Medicaid Hospice rates as provided annually by CMS; and• If a Medicaid hospice patient resides in a nursing facility (NF), the CONTRACTOR must pay an amount equal to at least 95
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	percent of the prevailing NF room and board rate to the hospice provider (not subject to the annual cap for Medicaid Hospice rates.
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Sitter	Medicaid/Standard Eligible, Age 21 and older: NON COVERED Medicaid/Standard Eligible, Under age 21: Covered as medically necessary. Effective February 1, 2007, Non-Covered, unless the CONTRACTOR is otherwise notified by TENNCARE.
Convalescent Care	Medicaid/Standard Eligible, Age 21 and older: NON COVERED Medicaid/Standard Eligible, Under age 21: Covered as medically necessary. Effective February 1, 2007, Non-Covered, unless the CONTRACTOR is otherwise notified by TENNCARE.

3. Section 2-3.a.2 shall be deleted and replaced in its entirety and shall read as follows:

2-3.a.2(a) The service thresholds and the CONTRACTOR's responsibility once a non-institutionalized adult has met the threshold are as follows:

Service	Threshold for Non-Institutionalized Medicaid Eligibles, Age 21 and Older	CONTRACTOR Responsibility Once Member Has Reached Threshold
Inpatient Hospital Services	20 days per SFY	Enroll member in MCO case management or disease management program, whichever is more appropriate

4. Section 2-3.k.1 shall be amended by deleting and replacing the fourth sentence so that the amended Section 2-3.k.1 shall read as follows:

2-3.k.1. Emergency Medical Services obtained from Out of Plan Providers

The CONTRACTOR's plan shall include provisions governing utilization of and payment by the CONTRACTOR for emergency medical services received by an enrollee from non-contract providers, regardless of whether such emergency services are rendered within or outside the community service area covered by the plan. Coverage of emergency medical services shall not be subject to prior authorization by the CONTRACTOR and shall be consistent with federal requirements regarding post-stabilization services, including but not limited to, 42 CFR Section 438.114(c)(1)(ii)(A). Utilization of and payments to non-contract providers may, at the CONTRACTOR's option, be limited to the treatment of emergency medical conditions, including

post-stabilization care that includes medically necessary services rendered to the enrollee until such time as he/she can be safely transported to an appropriate contract service location. Payment amounts shall be in accordance with TENNCARE rules and regulations for emergency out-of-plan services. Payment by the CONTRACTOR for properly documented claims for emergency medical services rendered by a non-contract provider shall be made within thirty (30) calendar days of receipt of a clean claim by the CONTRACTOR.

The CONTRACTOR must review and approve or disapprove claims for emergency medical services based on the definition of emergency medical services specified in Section 1-3 of this Agreement. If the CONTRACTOR determines that a claim requesting payment of emergency medical services does not meet the definition as specified in Section 1-3 and subsequently denies the claim, the CONTRACTOR shall notify the provider of the denial. This notification shall include information to the provider regarding the CONTRACTOR's process and timeframes for reconsideration. In the event a provider disagrees with the CONTRACTOR's decision to disapprove a claim for emergency medical services, the provider may pursue the independent review process for disputed claims as provided by T.C.A., Section 56-32-226, including but not limited to MCO reconsideration.

5. Section 2-3.s.2(b) shall be amended by deleting item (2) and renumbering the remaining items.

- (b) The CONTRACTOR shall provide MCO case management to members who are at high risk or have unique, chronic, or complex needs. This shall include but not be limited to:
- (1) Members who have reached the service threshold for inpatient hospital services;
 - (2) Members with co-occurring mental illness and substance abuse, and/or co-morbid physical health and behavioral health conditions;
 - (3) Members who meet the requirements at 2-3.s.5(a) regarding excessive and/or inappropriate Emergency Department Utilization; and
 - (4) Children with special health care needs unless already enrolled in an appropriate disease management program.

6. Section 2-3.s.6(b) shall be amended by deleting item (2) and renumbering the remaining items.

(b) **Member Identification Strategies**

The MCO must have a systematic method of identifying and enrolling eligible members in each DM program. This shall include but not be limited to:

- (1) Members who have reached the service threshold for inpatient hospital services (see Section 2-3.a.2).
- (2) Members who meet the requirements at 2-3.s.5(f)(3) regarding excessive and/or inappropriate Emergency Department Utilization who could potentially benefit from enrollment in a disease management program.
- (3) Members who have reached the service threshold for inpatient hospital services shall be enrolled in either a disease management program or MCO case management, whichever the CONTRACTOR determines is more appropriate.

7. Section 2-9.k.7 shall be deleted and replaced in its entirety.

2-9.k.7. Subrogation (Casualty) Recovery

The CONTRACTOR shall conduct diagnosis and trauma code editing to identify potential subrogation related claims. This editing should, at a minimum, identify claims with a diagnosis

of 800.00 thru 999.99 (excluding 994.6) or a claim submitted with an accident trauma indicator of 'Y'. TENNCARE approved questionnaires or other type TENNCARE approved forms shall be used to gather data and information pertinent to potential subrogation cases. TENNCARE shall determine a threshold amount for which a subrogation case should be pursued. Subrogation cases must be approved in writing by TENNCARE prior to the CONTRACTOR presenting offers or executing settlements.

8. Section 2-9 shall be amended by adding a new Section 2-9.o which shall read as follows:

2-9.o Business Continuity and Disaster Recovery (BC-DR) Plan

- (a) Regardless of the architecture of its Systems, the CONTRACTOR shall develop and be continually ready to invoke a BC-DR plan that is reviewed and prior approved by TENNCARE.
- (b) At a minimum the CONTRACTOR's BC-DR plan shall address the following scenarios:
 - (a) the central computer installation and resident software are destroyed or damaged, (b) System interruption or failure resulting from network, operating hardware, software, or operational errors that compromises the integrity of transactions that are active in a live system at the time of the outage, (c) System interruption or failure resulting from network, operating hardware, software or operational errors that compromises the integrity of data maintained in a live or archival system, and (d) System interruption or failure resulting from network, operating hardware, software or operational errors that does not compromise the integrity of transactions or data maintained in a live or archival system but does prevent access to the System, i.e., causes unscheduled System unavailability.
- (c) The CONTRACTOR's BC-DR plan shall specify projected recovery times and data loss for mission-critical Systems in the event of a declared disaster.
- (d) The CONTRACTOR shall periodically, but no less than annually, test its BC-DR plan through simulated disasters and lower level failures in order to demonstrate to TENNCARE that it can restore System functions.
- (e) The CONTRACTOR shall submit a baseline BC-DR plan to TENNCARE and communicate proposed modifications as required in Section 2.10.1.

9. Section 2-10.e. shall be amended by deleting and replacing Section 2-10.e.2 in its entirety and adding a new 2-10.e.4.

2-10.e.2. TPL Reporting

- (a) Cost Avoidance Value Reporting. The CONTRACTOR shall report all claim adjustment amounts due to TPL coverage or Medicare coverage on a frequency and in a format and media described by TENNCARE. The CONTRACTOR shall calculate cost savings in categories described by TENNCARE.

2-10.e.4 Payment for Out-of-Plan Emergency Providers

The CONTRACTOR shall report to TENNCARE the average payment rate paid to out-of-plan emergency providers by January 31 each calendar year.

10. Section 2-10.1 shall be deleted and replaced in its entirety so that the new Section 2-10.1 shall read as follows:

2-10.1. Business Continuity and Disaster Recovery Reports

The CONTRACTOR shall submit a baseline *Business Continuity and Disaster Recovery (BC-DR)* plan for review and approval as specified by TENNCARE. The CONTRACTOR shall communicate proposed modifications to the BC-DR plan at least fifteen (15) calendar days prior to their proposed incorporation. Such modifications shall be subject to review and approval by TENNCARE.

11. Section 2-10.p shall be amended by adding a new 2-10.p.1 and renumbering the existing items accordingly so that the new 2-10.p.1 shall read as follows:

2-10.p.1 PCP Visits

The CONTRACTOR shall submit a quarterly *PCP Visits Per Member Per Year Report* in the format prescribed by TENNCARE. The number of PCP visits per member during the reporting quarter shall be projected to reflect a twelve (12) month period.

12. Section 2-10.t shall be deleted in its entirety.
13. Section 2 shall be amended by adding a new Section 2-25 which shall read as follows:
- 2-25. Notice of Legal Action

The CONTRACTOR shall give TENNCARE and the Tennessee Department of Commerce and Insurance, TennCare Division, immediate notification in writing by Certified Mail of any administrative or legal action or complaint filed regarding any claim in law or equity made against the CONTRACTOR or an affiliate of the CONTRACTOR, including but not limited to a parent company; by a provider, enrollee, subcontractor or any other party, including but not limited to notice of any arbitration proceedings instituted between a provider and the CONTRACTOR.

14. Section 2 shall be amended by adding a new Section 2-26 which shall read as follows:

2-26. Prohibition of Illegal Immigrants. The requirements of Public Acts of 2006, Chapter Number 878, of the state of Tennessee, addressing the use of illegal immigrants in the performance of any contract to supply goods or services to the state of Tennessee, shall be a material provision of this Contract, a breach of which shall be grounds for monetary and other penalties, up to and including termination of this Contract.

- a. The Contractor hereby attests, certifies, warrants, and assures that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract. The Contractor shall reaffirm this attestation, in writing, by submitting to the State a completed and signed copy of the document as Attachment II, hereto, semi-annually during the period of this Contract. Such attestations shall be maintained by the contractor and made available to state officials upon request.
- b. Prior to the use of any subcontractor in the performance of this Contract, and semi-annually thereafter, during the period of this Contract, the Contractor shall obtain and retain a current, written attestation that the subcontractor shall not knowingly utilize the services of an illegal immigrant to perform work relative to this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant to perform work relative

to this Contract. Attestations obtained from such subcontractors shall be maintained by the contractor and made available to state officials upon request.

- c. The Contractor shall maintain records for all personnel used in the performance of this Contract. Said records shall be subject to review and random inspection at any reasonable time upon reasonable notice by the State.
- d. The Contractor understands and agrees that failure to comply with this section will be subject to the sanctions of Public Chapter 878 of 2006 for acts or omissions occurring after its effective date. This law requires the Commissioner of Finance and Administration to prohibit a contractor from contracting with, or submitting an offer, proposal, or bid to contract with the State of Tennessee to supply goods or services for a period of one year after a contractor is discovered to have knowingly used the services of illegal immigrants during the performance of this contract.
- e. For purposes of this Contract, "illegal immigrant" shall be defined as any person who is not either a United States citizen, a Lawful Permanent Resident, or a person whose physical presence in the United States is authorized or allowed by the federal Department of Homeland Security and who, under federal immigration laws and/or regulations, is authorized to be employed in the U.S. or is otherwise authorized to provide services under the Contract.

15. Section 3-10.i shall be amended by adding a new Section 3-10.i.12 which shall read as follows:

3-10.i.12. The administrative fee payments specified in Section 3-10.i and Attachment X of this Agreement, as amended, shall represent payment in full. TennCare shall not reimburse CONTRACTOR for any costs, liquidated damages and/or penalties incurred by the CONTRACTOR and which result from actions or inactions, including penalties associated with CONTRACTOR's failure to timely pay any and all expenses, fees, taxes and other regulatory/ministerial costs associated with the requirements of operating as an HMO in this state. The taxes, fees, expenses, and other regulatory/ministerial costs referenced herein shall include but not be limited to premium taxes associated with any and all obligations required by the Tennessee Health Maintenance Organization Act of 1986 codified at Tennessee Code Annotated § 56-32-201 et seq. or any subsequent amendments thereto and/or the Tennessee Prepaid Limited Health Services Act of 2000 codified at Tennessee Code Annotated § 56-51-101 et seq. or any subsequent amendments thereto.

16. Section 4-1 shall be amended by adding a new Section 4-1.ee which shall read as follows:

4-1.ee. Federal Pro-Children Act of 1994 and the Tennessee Children's Act for Clean Indoor Air of 1995.

17. Section 4-7 shall be deleted and replaced in its entirety so that the amended Section 4-7 shall read as follows:

4-7. CONFLICT OF INTEREST

- 4-7.a. The CONTRACTOR warrants that no part of the total Agreement amount provided herein shall be paid directly, indirectly or through a parent organization, subsidiary or an affiliate organization to any state or federal officer or employee of the State of Tennessee or any immediate family member of a state or federal officer or employee of the State of Tennessee as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor, or consultant to the CONTRACTOR in connection with any work contemplated or performed relative to this Agreement unless disclosed to the Commissioner, Tennessee Department of

Finance and Administration. For purposes of Section 4.19 and its subparts of this contract, "immediate family member" shall mean a spouse or minor child(ren) living in the household.

4.7.a.1 Quarterly, by January 30, April 30, July 30, and October 30 each year, or at other times or intervals as designated by the Deputy Commissioner of the Bureau of TennCare, disclosure shall be made by the CONTRACTOR to the Deputy Commissioner of the Bureau of TennCare, Department of Finance and Administration in writing. The disclosure shall include, but not be limited to, the following:

4.7.a.1.(a) A list of any state or federal officer or employee of the State of Tennessee as well as any immediate family member of a state or federal officer or employee of the State of Tennessee who receives wages or compensation from the CONTRACTOR; and

4.7.a.1.(b) A statement of the reason or purpose for the wages or compensation. The disclosures shall be made by the CONTRACTOR and reviewed by TENNCARE in accordance with Standard Operating Procedures and the disclosures shall be distributed to, amongst other persons, entities and organizations, the Commissioner, Tennessee Department of Finance and Administration, the Tennessee Ethics Commission, the TennCare Oversight Committee and the Fiscal Review Committee.

4.7.a.2 This Agreement may be terminated by TENNCARE and/or the CONTRACTOR may be subject to sanctions, including liquidated damages, under this Agreement if it is determined that the CONTRACTOR, its agents or employees offered or gave gratuities of any kind to any state or federal officials or employees of the State of Tennessee or any immediate family member of a state or federal officer or employee of the State of Tennessee if the offering or giving of said gratuity is in contravention or violation of state or federal law. It is understood by and between the parties that the failure to disclose information as required under Section 4.19 of this Agreement may result in termination of this Agreement and the CONTRACTOR may be subject to sanctions, including liquidated damages in accordance with Section 4.20 of this Agreement. The CONTRACTOR certifies that no member of or delegate of Congress, the United States General Accounting Office, DHHS, CMS, or any other federal agency has or will benefit financially or materially from this Agreement.

4.7.b The CONTRACTOR shall include language in all subcontracts and provider agreements and any and all agreements that result from this Agreement between CONTRACTOR and TENNCARE to ensure that it is maintaining adequate internal controls to detect and prevent conflicts of interest from occurring at all levels of the organization. Said language may make applicable the provisions of Section 4.19 to all subcontracts, provider agreements and all agreements that result from the Agreement between the CONTRACTOR and TENNCARE.

18. Section 4-8.b.1 shall be amended by adding a due date for Semi-Annual Reports which shall read as follows:

Semi-Annual Reports	January 31 and July 31.
---------------------	-------------------------

19. [VHP term will be 3-31-07 and UAHC will be 7-1-07 – all others 12-31-07]

4-28. Term of the Agreement

This Agreement and its incorporated attachments, if any, as well as all Amendments to this Agreement, contain all of the terms and conditions agreed upon by the parties, and when executed by all parties, supersedes any prior agreements except as stated in Section 1-7. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall be in effect from July 1, 2001, subject to approval by the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services. The term of this Agreement shall expire on December 31, 2007. Notwithstanding any provision herein to the contrary, this Agreement shall automatically renew for calendar year 2008 with an expiration date of December 31, 2008 unless the CONTRACTOR or the State complies with Section 4-2.(f) regarding non-renewal or unless the State approves termination of the Agreement in accordance herewith. Said renewal shall be automatic and shall not require any notice or other action.

Notwithstanding any provision herein to the contrary, the State may terminate this Agreement if the waiver governing TennCare is terminated. The documents referenced in the Agreement are on file with the CONTRACTOR and with TENNCARE and the CONTRACTOR is aware of their content. No other agreement, oral or otherwise regarding the subject matter of this Agreement, shall be deemed to exist or to bind any of the parties hereto.

20. Attachment II shall be deleted and replaced in its entirety and shall read as follows:

ATTACHMENT II

ATTESTATION RE PERSONNEL USED IN CONTRACT PERFORMANCE

SUBJECT CONTRACT NUMBER:	
CONTRACTOR LEGAL ENTITY NAME:	
FEDERAL EMPLOYER IDENTIFICATION NUMBER: (or Social Security Number)	

The Contractor, identified above, does hereby attest, certify, warrant, and assure that the Contractor shall not knowingly utilize the services of an illegal immigrant in the performance of this Contract and shall not knowingly utilize the services of any subcontractor who will utilize the services of an illegal immigrant in the performance of this Contract.

**SIGNATURE &
DATE:**

NOTICE: This attestation MUST be signed by an individual empowered to contractually bind the Contractor. If said individual is not the chief executive or president, this document shall attach evidence showing the individual's authority to contractually bind the Contractor.

21. Attachment XII, Exhibit L.3 shall be amended by adding MRI, CT Scan and PET Scan's per 1000.

[MCO NAME]

Outpatient Report

Incurred Period: XX/XX/XXXXX - XX/XX/XXXXX

Paid Through XX/XX/XXXX

[illegible]

All of the provisions of the original Agreement not specifically deleted or modified herein shall remain in full force and effect. Unless a provision contained in this Amendment specifically indicates a different effective date, for purposes of the provisions contained herein, this Amendment shall become effective January 1, 2007 or as of the date it is approved by the U.S. Department of Health and Human Services, Centers for Medicare & Medicaid Services.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives set their signatures.

**STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION**

MCO NAME

BY: _____
M. D. Goetz, Jr.
Commissioner

BY: _____
Name
Title

DATE: _____

DATE: _____

APPROVED BY:

APPROVED BY:

**STATE OF TENNESSEE
DEPARTMENT OF FINANCE
AND ADMINISTRATION**

**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

BY: _____
M. D. Goetz, Jr.
Commissioner

BY: _____
John G. Morgan
Comptroller

DATE: _____

DATE: _____

CONTRACT SUMMARY SHEET

RFS Number:	318.66-032	Contract Number:	FA-02-14863-10
State Agency:	Department of Finance and Administration	Division:	Bureau of TennCare

Contractor:	PREFERRED HEALTH PLAN	Contract Identification Number:	
		<input type="checkbox"/> V-	
		<input type="checkbox"/> C-	

Service Description:	Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population
----------------------	---

Contract Begin Date:	7/1/2001	Contract End Date:	12/31/2006
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Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	4A9	134	11	<input type="checkbox"/> STARS		
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)	
2002	\$ 78,953,471.00	\$ 138,414,473.00			\$	217,367,944.00
2003	\$ 64,946,700.00	\$ 111,774,800.00			\$	176,721,500.00
2004	\$ 83,013,699.12	\$ 150,598,884.55			\$	233,612,583.67
2005	\$ 97,326,850.00	\$ 165,451,350.00			\$	262,778,200.00
2006	\$ 97,326,850.00	\$ 165,451,350.00			\$	262,778,200.00
2007	\$ 54,608,467.00	\$ 100,133,576.00			\$	154,742,043.00
Total	\$ 476,176,037.12	\$ 831,824,433.55			\$	1,308,000,470.67

CFDA#	93.778 Title XIX Dept. of Health and Human Services	Check the box ONLY if the answer is YES
-------	---	---

State Fiscal Contract		Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name:	Scott Pierce	Is the Contractor a Vendor? (per OMB A-133)	
Address:	729 Church Street	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone:	Nashville, TN (615)532-1362	Is the Contractor on STARS?	
Procuring Agency Budget Officer Approval Signature		Is the Contractor's FORM W-9 ATTACHED?	
Scott Pierce		Is the Contractor's Form W-9 Filed with Accounts?	

COMPLETE FOR ALL AMENDMENTS (only)			Funding Certification
	Base Contract & Prior Amendments	This Amendment ONLY	Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.
END DATE	12/31/2006		
FY: 02	\$217,367,944.00		
FY: 03	\$176,721,500.00		
FY: 04	\$233,612,583.67		
FY: 05	\$262,778,200.00		
FY: 06	\$262,778,200.00		
FY: 07	\$131,389,100.00	\$23,352,943.00	
Total	\$1,284,647,527.67	\$23,352,943.00	

CONTRACT SUMMARY SHEET

RF# Number	318.66-032	Contract Number	FA-02-14863-09
State Agency	Department of Finance and Administration	Division	Bureau of TennCare
Contractor		Contract Identification Number	

PREFERRED HEALTH PLAN


☐ V-
☐ C-

Service Description
Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

Contract Begin Date	Contract End Date
7/1/2001	12/31/2006

Allocation Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	419	134	11	<input type="checkbox"/> STARS		
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including All Amendments)	
2002	\$ 78,953,471.00	\$ 138,414,473.00			\$ 217,367,944.00	
2003	\$ 64,946,700.00	\$ 111,774,800.00			\$ 176,721,500.00	
2004	\$ 83,013,699.12	\$ 150,598,884.55			\$ 233,612,583.67	
2005	\$ 97,326,850.00	\$ 165,451,350.00			\$ 262,778,200.00	
2006	\$ 97,326,850.00	\$ 165,451,350.00			\$ 262,778,200.00	
2007	\$ 46,370,500.00	\$ 85,018,600.00			\$ 131,389,100.00	
Total	\$ 467,938,070.12	\$ 816,709,457.55			\$ 1,284,647,527.67	

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TO ACCOUNTS

CFDA	93.778 Title XIX Dept. of Health and Human Services	Check the box ONLY if the answer is YES
State Fiscal Contract		Is the Contractor a SUBRECIPIENT (per OMB A-133)?
Name: Scott Pierce Address: 729 Church Street Phone: Nashville, TN (615)532-1362		Is the Contractor a Vendor? (per OMB A-133)?
		Is the Fiscal Year Funding STRICTLY LIMITED?
Procuring Agency/Budget Officer Approval Signature		Is the Contractor on STARS?
Scott Pierce		Is the Contractor REPORTING ATTACHED?
		Is the Contractor's Form W-9 filed with Accounts?

COMPLETE FOR ALL AMENDMENTS (only)		
END DATE	Base Contract & Prior Amendments	This Amendment ONLY
	12/31/2006	
FY: 02	\$217,367,944.00	
FY: 03	\$176,721,500.00	
FY: 04	\$233,612,583.67	
FY: 05	\$262,778,200.00	
FY: 06	\$262,778,200.00	
FY: 07	\$131,389,100.00	
Total	\$1,284,647,527.67	\$0.00

Funding Certification
Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

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CONTRACT SUMMARY SHEET

RFP Number	318.66-032	Contract Number	FA-02-14863-08
State Agency	Department of Finance and Administration	Division	Bureau of TennCare
Contractor		Contract Identification Number	


PREFERRED HEALTH PLAN	<input type="checkbox"/> V- <input type="checkbox"/> C-
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Service Description
Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

Contract Begin Date	Contract End Date
7/1/2001	12/31/2006

Alignment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
318.66	419	134	11	<input type="checkbox"/> STARS		
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including All amendments)	
2002	\$ 78,953,471.00	\$ 138,414,473.00			\$ 217,367,944.00	
2003	\$ 64,946,700.00	\$ 111,774,800.00			\$ 176,721,500.00	
2004	\$ 83,013,699.12	\$ 150,598,884.55			\$ 233,612,583.67	
2005	\$ 97,326,850.00	\$ 165,451,350.00			\$ 262,778,200.00	
2006	\$ 97,326,850.00	\$ 165,451,350.00			\$ 262,778,200.00	
2007	\$ 46,370,500.00	\$ 85,018,600.00			\$ 131,389,100.00	
Total	\$ 467,938,070.12	\$ 816,709,457.55			\$ 1,284,647,527.67	

CE/DA/	93.778 Title XIX Dept. of Health and Human Services	Check the box ONLY if the answer is YES
State Fiscal Contract		Is the Contractor a SUBRECIPIENT (per OMB A-133)?
Name: Scott Pierce		Is the Contractor a Vendor? (per OMB A-133)?
Address: 310 Great Circle Road		Is the Fiscal Year Funding STRICTLY LIMITED?
Phone: Nashville, TN		Is the Contractor on STARS?
(615)507-6415		Is the Contractor FORM W-9 ATTACHED?
		Is the Contractor FORM W-9 Filed with Accounts?

Procuring Agency Budget Officer Approval Signature
Scott Pierce 

COMPLETE FOR ALL AMENDMENTS (only)		
END DATE	Base Contract & Prior Amendments	This Amendment ONLY
	12/31/2006	
FY: 02	\$217,367,944.00	
FY: 03	\$176,721,500.00	
FY: 04	\$233,612,583.67	
FY: 05	\$262,778,200.00	
FY: 06	\$262,778,200.00	
FY: 07	\$131,389,100.00	
Total	\$1,284,647,527.67	\$0.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

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FA-02-14863-07
318.66-032
Department of Finance and Administration
Bureau of TennCare

PREFERRED HEALTH PLAN

☐ V-
☐ C-

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

7/1/2001

12/31/2006

318.66	419	134	11	<input type="checkbox"/> STARS		
2002	\$ 78,953,471.00	\$ 138,414,473.00			\$	217,367,944.00
2003	\$ 64,946,700.00	\$ 111,774,800.00			\$	176,721,500.00
2004	\$ 83,013,699.12	\$ 150,598,884.55			\$	233,612,583.67
2005	\$ 97,326,850.00	\$ 165,451,350.00			\$	262,778,200.00
2006	\$ 97,326,850.00	\$ 165,451,350.00			\$	262,778,200.00
2007	\$ 46,370,500.00	\$ 85,018,600.00			\$	131,389,100.00
	\$ 467,938,070.12	\$ 816,709,457.55			\$	1,284,647,527.67

93.778 Title XIX Dept. of Health and Human Services

Scott Pierce
729 Church Street
Nashville, TN
(615)532-1362

Scott Pierce

	12/31/2006	
FY: 02	\$217,367,944.00	
FY: 03	\$176,721,500.00	
FY: 04	\$233,612,583.67	
FY: 05	\$262,778,200.00	
FY: 06	\$262,778,200.00	
FY: 07	\$131,389,100.00	
	\$1,284,647,527.67	\$0.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

318.66-032

Department of Finance and Administration

FA-02-14863-06

Bureau of TennCare

PREFERRED HEALTH PLAN

☐ V.
☐ C.

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

7/1/2001

12/31/2006

318.66

41B

134

11

☐ STARS

2002	\$ 78,953,471.00	\$ 138,414,473.00		\$	217,367,944.00
2003	\$ 84,948,700.00	\$ 111,774,800.00		\$	176,721,500.00
2004	\$ 83,013,688.12	\$ 150,598,884.66		\$	233,612,583.67
2005	\$ 97,326,850.00	\$ 185,451,350.00		\$	262,778,200.00
2006	\$ 97,326,850.00	\$ 185,451,350.00		\$	262,778,200.00
2007	\$ 46,370,600.00	\$ 85,018,600.00		\$	131,389,100.00
	\$467,938,070.12	\$ 816,708,457.66		\$	1,284,647,527.67

03.778

Scott Pierce
 728 Church Street
 Nashville, TN
 (615)532-1362

Scott Pierce



	12/31/2005	12/31/2006
FY: 02	\$217,367,944.00	
FY: 03	\$176,721,500.00	
FY: 04	\$233,612,583.67	
FY: 05	\$233,612,583.67	\$29,165,816.93
FY: 06	\$116,808,291.83	\$145,971,808.17
FY: 07		\$131,389,100.00
	\$978,120,203.17	\$308,528,624.60

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr.,
 Commissioner of Finance and Administration, do hereby certify that
 there is a balance in the appropriation from which this obligation is
 required to be paid that is not otherwise encumbered to pay
 obligations previously incurred.

CONTRACT SUMMARY SHEET

Contract Number	318.66-032	Contract Number	FA-02-14863-05
State Agency	Department of Finance and Administration	Division	Bureau of TennCare
Contractor		Contract Identification Number	

PREFERRED HEALTH PLAN	<input type="checkbox"/> V- <input type="checkbox"/> C-
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Service Description
 Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

Contract Begin Date	7/1/2001	Contract End Date	12/31/2005
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Contract Code	Contract Entry	Contract Code	Contract Entry	Contract Code	Contract Entry	Contract Code	Contract Entry
318.66	419	134	11	<input type="checkbox"/> STARS			
FY	State Fund	Federal Funds	Other Funds	Contract Amount	Total Contract Amount (including all amendments)		
2002	\$ 78,953,471.00	\$ 138,414,473.00			\$ 217,367,944.00		
2003	\$ 64,946,700.00	\$ 111,774,800.00			\$ 176,721,500.00		
2004	\$ 83,013,699.12	\$ 150,598,884.55			\$ 233,612,583.67		
2005	\$ 83,013,699.12	\$ 150,598,884.55			\$ 233,612,583.67		
2006	\$ 41,506,849.56	\$ 75,299,442.28			\$ 116,806,291.83		
TOTAL	\$351,434,418.70	\$ 626,686,484.38			\$ 978,120,903.17		

Contract Code	93.778	Contract Code	93.778
Name	Dean Daniel	Name	Dean Daniel
Address	729 Church Street	Address	729 Church Street
City	Nashville, TN	City	Nashville, TN
Phone	(615)532-1362	Phone	(615)532-1362
Contracting Agency Budget Officer Approval Signature		Contracting Agency Budget Officer Approval Signature	
Dean Daniel		Dean Daniel 6/22/04	

COMPLETION OF AMENDMENTS ONLY		
DATE	AMENDMENT	AMOUNT
12/31/2005		
FY: 02		
FY: 03		
FY: 04		
FY: 05		
FY: 06		
TOTAL		\$0.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

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CONTRACT SUMMARY PAGE 1																																											
Contract Number: 318.66-032 Department of Finance and Administration	Order Number: FA-02-14863-04 Bureau of TennCare																																										
Service Description: PREFERRED HEALTH PLAN																																											
Service Period: 7/1/2001 to 12/31/2005																																											
Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population																																											
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">318.66</td> <td style="width: 15%;">419</td> <td style="width: 15%;">134</td> <td style="width: 15%;">11</td> <td style="width: 15%;"><input type="checkbox"/> STARS</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> </table>		318.66	419	134	11	<input type="checkbox"/> STARS																																					
318.66	419	134	11	<input type="checkbox"/> STARS																																							
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 10%;">Year</th> <th style="width: 20%;">Total Contract Value</th> <th style="width: 20%;">Total Contract Value</th> <th style="width: 20%;">Total Contract Value</th> <th style="width: 20%;">Total Contract Value</th> <th style="width: 20%;">Total Contract Value</th> </tr> <tr> <td>2002</td> <td>\$ 78,953,471.00</td> <td>\$ 138,414,473.00</td> <td></td> <td></td> <td>\$ 217,367,944.00</td> </tr> <tr> <td>2003</td> <td>\$ 64,946,700.00</td> <td>\$ 111,774,800.00</td> <td></td> <td></td> <td>\$ 176,721,500.00</td> </tr> <tr> <td>2004</td> <td>\$ 83,013,699.12</td> <td>\$ 150,598,884.55</td> <td></td> <td></td> <td>\$ 233,612,583.67</td> </tr> <tr> <td>2005</td> <td>\$ 83,013,699.12</td> <td>\$ 150,598,884.55</td> <td></td> <td></td> <td>\$ 233,612,583.67</td> </tr> <tr> <td>2006</td> <td>\$ 41,506,849.56</td> <td>\$ 75,299,442.28</td> <td></td> <td></td> <td>\$ 116,806,291.83</td> </tr> <tr> <td>Total</td> <td>\$351,434,418.79</td> <td>\$ 626,686,484.38</td> <td></td> <td></td> <td>\$ 978,120,903.17</td> </tr> </table>		Year	Total Contract Value	Total Contract Value	Total Contract Value	Total Contract Value	Total Contract Value	2002	\$ 78,953,471.00	\$ 138,414,473.00			\$ 217,367,944.00	2003	\$ 64,946,700.00	\$ 111,774,800.00			\$ 176,721,500.00	2004	\$ 83,013,699.12	\$ 150,598,884.55			\$ 233,612,583.67	2005	\$ 83,013,699.12	\$ 150,598,884.55			\$ 233,612,583.67	2006	\$ 41,506,849.56	\$ 75,299,442.28			\$ 116,806,291.83	Total	\$351,434,418.79	\$ 626,686,484.38			\$ 978,120,903.17
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Total	\$351,434,418.79	\$ 626,686,484.38			\$ 978,120,903.17																																						
Contract Value: 93,778																																											
Contract Manager: Dean Daniel 729 Church Street Nashville, TN (615)532-1362																																											
Contract Signature: Dean Daniel <i>Dean Daniel</i> 12/23/03																																											
Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.																																											
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FY: 04	\$233,612,583.67			\$0.00																																							
FY: 05	\$233,612,583.67			\$0.00																																							
FY: 06	\$116,806,291.83			\$0.00																																							
Total	\$978,120,903.17			\$0.00																																							

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 COMPTROLLER
 OF FINANCE
 AND ADMINISTRATION

CONTRACT SUMMARY SHEET

Contract Number	318-66-032	Contract Title	FA-02-14863-03
State Agency	Department of Finance and Administration	Contractor	Bureau of TennCare
Contract Type		Contract Period	

PREFERRED HEALTH PLAN ☐ V- ☐ C-

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

Contract Start Date: 7/1/2001 Contract End Date: 12/31/2005

Contract Number	Line Item	Quantity	Unit Price	Total Price	Notes
318.66	419	134	11		<input type="checkbox"/> STARS
2002	\$ 78,953,471.00	\$ 138,414,473.00		\$ 217,367,944.00	
2003	\$ 64,946,700.00	\$ 111,774,800.00		\$ 176,721,500.00	
2004	\$ 83,013,699.12	\$ 150,598,884.55		\$ 233,612,583.67	
2005	\$ 83,013,699.12	\$ 150,598,884.55		\$ 233,612,583.67	
2006	\$ 41,506,849.56	\$ 75,299,442.28		\$ 116,806,291.83	
	\$351,434,418.79	\$ 626,686,484.38		\$ 978,120,903.17	
	93,778				

Dean Daniel
729 Church Street
Nashville, TN
(615)532-1362

Dean Daniel

Dean Daniel 6/30/03

FY	Amount	Balance
	12/31/2005	
FY: 02	\$217,367,944.00	\$0.00
FY: 03	\$176,721,500.00	\$0.00
FY: 04	\$176,721,500.00	\$56,891,083.67
FY: 05	\$176,721,500.00	\$56,891,083.67
FY: 06	\$88,380,750.00	\$28,445,541.83
	\$835,893,194.00	\$142,227,709.17

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

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Office of Contracts Review

CONTRACT SUMMARY SHEET

		FA-02-14863-02
621	Department of Finance and Administration	Bureau of TennCare

Contract Identification Number	
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PREFERRED HEALTH PLAN	<input type="checkbox"/> V- <input type="checkbox"/> C-
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Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

7/1/01	12/31/05
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318.66	419	134	11	<input type="checkbox"/> STARS		
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Year	State Fund	Federal Fund	Other Fund	Total
2002	\$ 78,953,471.00	\$ 138,414,473.00		\$ 217,367,944.00
2003	\$ 64,946,700.00	\$ 111,774,800.00		\$ 176,721,500.00
2004	\$ 64,946,700.00	\$ 111,774,800.00		\$ 176,721,500.00
2005	\$ 64,946,700.00	\$ 111,774,800.00		\$ 176,721,500.00
2006	\$ 32,473,350.00	\$ 55,887,400.00		\$ 88,360,750.00
	\$ 306,266,921.00	\$ 529,626,273.00		\$ 835,893,194.00
	93.778			

Dean Daniel 729 Church Street Nashville, TN (615)532-1362
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Dean Daniel *Dean Daniel* 7/1/02

Year	Balance	Encumbrance	Total
Y: 02			
Y: 03			
Y: 04			
Y: 05			
Y: 06			
	\$0.00		\$0.00

Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

CONTRACT SUMMARY SHEET

FA-02-14863-01	
Department of Finance and Administration	Bureau of TennCare

PREFERRED HEALTH PLAN

☐ V-
☐ C-

Managed Care Organization Services/Medically necessary Health Care Services to the TennCare/Medicaid Population

7/1/01 12/31/05

Unreimbursed	Costs Incurred	Unreimbursed	Costs Incurred	STARs	Unreimbursed	Costs Incurred
318.66	419	134	11	<input type="checkbox"/> STARs		
Year	Unreimbursed	Costs Incurred	Unreimbursed	Costs Incurred	Year	Unreimbursed
2002	\$ 78,953,471.00	\$ 138,414,473.00				\$ 217,367,944.00
2003	\$ 64,946,700.00	\$ 111,774,800.00				\$ 176,721,500.00
2004	\$ 64,946,700.00	\$ 111,774,800.00				\$ 176,721,500.00
2005	\$ 64,946,700.00	\$ 111,774,800.00				\$ 176,721,500.00
2006	\$ 32,473,350.00	\$ 55,887,400.00				\$ 88,360,750.00
Total	\$ 306,266,921.00	\$ 529,626,273.00				\$ 835,893,194.00

93.778

Dean Daniel
729 Church Street
Nashville, TN
(615)532-1362

Dean Daniel

Dean Daniel 7/1/02

Year	Unreimbursed	Costs Incurred
2002	\$217,367,944.00	\$0.00
2003	\$217,367,944.00	-\$40,646,444.00
2004	\$217,367,944.00	-\$40,646,444.00
2005	\$217,367,944.00	-\$40,646,444.00
2006	\$108,683,973.00	-\$20,323,223.00
Total	\$978,155,749.00	-\$142,262,555.00

Pursuant to T.C.A., Section 9-6-113, I, C. Warren Neel, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.